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Response to Office Action Dated November 24, 2003
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REMARKS

I. STATUS OF THE CLAIMS

Favorable reconsideration and allowance of the present claims is respectfully requested. Claims 46-190 are pending in the present application. Claims 46, 69, 93, 118, 143, and 167 are independent claims.

Claims 46-190 are generally directed to a method and system for facilitating financial transactions between a buyer and seller over a network, such as the Internet (Application p. 3, lines 20-24). For a fee, an intermediary collects the payment from the buyer and pays the seller (Application p. 3, lines 28-29). However, before doing so, the intermediary may hold the payment in escrow until some predetermined condition is fulfilled (Application p. 4, lines 23-24; p. 8, lines 28-29). For instance, the intermediary may hold the payment until it is determined (1) that the seller has shipped the goods, (2) the buyer has received the goods, and (3) the goods are acceptable to the buyer (Application p. 4, lines 25-28; p. 9, lines 1-3). Upon fulfillment of the predetermined condition, the intermediary orders the transfer of funds to the seller (Application p. 4, lines 24-25). To enable the intermediary to monitor the status of the shipment, an authorized shipping service having an online tracking database is used (Application p. 20, lines 16-26). Thus, the intermediary is able to monitor the status of the transaction and facilitate payment upon satisfactory delivery of the goods (Application p. 20, lines 14-16).

In particular, claim 46 and its associated dependent claims are directed, among other things, to aspects of a method for completing a transaction between a buyer and a seller utilizing a payment enabling system, with steps particularly applicable to the payment enabling system, involving various steps of receiving transaction information from a transaction computer, requesting authorization of a payment from a payment instrument processor, instructing the seller to ship the goods in response to an authorization, querying a shipping service's tracking database to determine when the goods have been delivered, and upon determination of

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acceptable delivery, communicating an instruction to the payment instrument processor to make the payment to the seller with a selected payment instrument.

Claim 69 and its associated dependent claims are directed, among other things, to aspects of a system for effecting payment for an online transaction but conditioned on acceptable delivery of goods, comprising a transaction computer, a shipping service tracking database, one or more payment instrument processors, and a payment enabling system, with operations along the lines of claim 46, which is roughly a method counterpart to this claim.

Claim 93 and its associated dependent claims are directed to, among other things, aspects of a method for completing a transaction between a buyer and a seller utilizing a payment enabling system, with steps particularly applicable to the payment enabling system, involving various steps including registering a payment instrument, requesting authorization of a payment from a payment instrument processor, instructing the seller to ship the goods in response to an authorization, generating a tracking number associated with the shipment of goods, querying a shipping service's tracking database to determine when the goods have been delivered, and upon determination of acceptable delivery, communicating an instruction to the payment instrument processor to make the payment to the seller.

Claim 118 and its associated dependent claims are directed to, among other things, aspects of a system for effecting payment for goods in an online transaction, the payment conditioned on acceptable delivery of the goods to the buyer, comprising a payment enabling system and interfaces for data communications with buyer and seller computers, a transaction computer, a payment instrument processor, and a shipping service, with operations particularly applicable to the payment enabling system along the lines of claim 93, which is roughly a method counterpart to this claim.

Claim 143 and its associated dependent claims are directed to, among other things, aspects of a method for completing a transaction between a buyer and a seller in a system including a transaction computer, a payment enabling system, one or

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more payment instrument processors, and at least one pre-authorized shipping service, involving various steps of registering a payment instrument, requesting authorization of a payment from a payment instrument processor, instructing the seller to ship the goods in response to an authorization, generating a tracking number, querying a shipping service's tracking database to determine when the goods have been delivered, and upon determination of acceptable delivery, communicating an instruction to the payment instrument processor to make the payment to the seller.

Claim 167 is directed, among other things, to aspects of a system for effecting payment for an online transaction but conditioned on delivery of goods, comprising a transaction computer, a shipping service tracking database, one or more payment instrument processors, and a payment enabling system, with operations along the lines of claim 143, which is roughly a method counterpart to this claim.

It should be understood that the above summary is being presented not by way of limitation, or formal characterization, or to be subject to an estoppel, as the summaries are for the convenience of the examiner in ascertaining the differences between the subject matter of the claims to thereby facilitate examination.

II. ISSUES PRESENTED

By way of the Office Action dated November 24, 2003, Examiner Akers rejected claims 46-190 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,449,599 to *Payne et al.* in view of U.S. Patent No. 6,289,323 to *Gordon et al.*, U.S. Patent No. 5,664,110 to *Green et al.*, and U.S. Patent No. 5,897,622 to *Blinn et al.* Accordingly, at least two distinct issues have been raised:

- (1) Has the Examiner made a *prima facie* case of obviousness?
- (2) In view of *Payne*, *Gordon*, *Green*, and *Blinn* would the claimed subject matter have been obvious to one of ordinary skill in the art at the time the invention was made?

Before addressing each issue, a review of the cited references is provided for the convenience of the Examiner.

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A. U.S. Patent No. 6,449,599 to *Payne et al.* ("*Payne*")

Payne is directed to a network-based sales system that includes at least one buyer computer for operation by a user desiring to buy a product (such as an electronic version of a newspaper article) at least one merchant computer, and at least one payment computer (col. 1, lines 53-56; col. 4, lines 54-65). The buyer computer, the merchant computer, and the payment computer are interconnected by a computer network (col. 1, lines 56-58). The buyer computer is programmed to receive a user request for purchasing a product, and to cause a payment message to be sent to the payment computer that includes a product identifier identifying the product (col. 1, lines 58-62). The payment computer is programmed to (1) receive the payment message, (2) cause an access message to be created that includes both the product identifier and an access message authenticator based on a cryptographic key, and (3) cause the access message to be sent to the merchant computer (col. 1, lines 62-67). The merchant computer is programmed to (1) receive the access message, (2) verify the access message authenticator to ensure that the access message authenticator was created using the cryptographic key, and (3) cause the electronic product to be sent to the user desiring to buy the product (col. 1, line 67 through col. 2, lines 1-5).

The system of *Payne* allows the merchant computer to respond to payment orders from the buyer computer without the merchant computer having to communicate directly with the payment computer to ensure that the user is authorized to purchase the product (col. 2, lines 7-11). Furthermore, the merchant computer does not have to store information in a database regarding which buyers are authorized to purchase which products (col. 2, lines 11-14). Rather, when the merchant computer receives an access message from the buyer computer identifying a product to be purchased, the merchant computer need only check the access message to ensure that it was created by the payment computer to verify that the buyer is authorized to purchase the product before causing the product to be sent to the buyer computer (col. 2, lines 14-22).

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B. U.S. Patent No. 6,289,323 to Gordon et al. ("Gordon")

Gordon is directed to a method and system for paying for goods and services in a manner similar to checks, credit cards, and debit cards (col. 1, lines 7-9). *Gordon* uses cryptographically transformed user information to authenticate payments from a payer to a payee where the form of payment is a value message bearing cryptographically transformed information including a digital signature to authenticate the value message (col. 1, lines 10-16). The value messages are authenticated, credited to the payee, and debited to the payer (col. 1, lines 16-18). *Gordon* purports to remedy the shortcomings of traditional payment systems regarding authentication, privacy, and convenience (col. 1, lines 66-67 to col. 2, line 1).

Specifically, the method of *Gordon* provides a payer with a Payer Postal Security Device (Payer PSD) upon establishing an account with a postal authority (col. 3, lines 12-16). The Payer PSD is a secure register for evidencing and tracking value (col. 3, lines 26-27). The payer may deposit funds with the postal authority prior to using the Payer PSD (col. 3, lines 27-29). A communication is then established between the postal authority and the Payer PSD, whereby the postal authority issues a value download message and the internal register of the Payer PSD is increased by the amount deposited by the payer (col. 3, lines 29-37). In exchange for providing goods or services, the Payer PSD issues a value message to a merchant (col. 4, lines 44-45). After receiving the value message, the merchant endorses the value message using a Payee PSD (col. 4, lines 46-47). To endorse the value message, the merchant payee adds additional data and renders a digital signature based on fields contained in the value message (col. 4, lines 49-52). The merchant then presents the endorsed value message to the postal authority (col. 4, lines 64-65) for authentication. After authenticating the value message, the Payee PSD is credited with the amount paid by the Payer (col. 5, lines 19-21). The value message may be processed by issuing a paper check or using an electronic funds transfer to the Payee bank (col. 5, lines 42-45).

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Gordon also provides a means for enabling a purchase between a merchant and an anonymous customer (col. 11, lines 15-19). First, the customer uses a PSD to generate a value message and transmits the message to the merchant (col. 11, lines 20-24). The value message identifies the product that the customer wishes to purchase (col. 11, lines 24-26). The value message further includes an identification of the PSD but does not include any information about the customer (col. 11, lines 26-30). The merchant then endorses the value message from the customer using a merchant PSD (col. 11, lines 35-37). The postal authority then authenticates the transaction (col. 11, lines 45-47). The parcel is then shipped from the merchant to the postal authority who takes possession of the parcel (col. 12, lines 23-25). Using barcode technology containing information about the intended recipient of the package, the postal authority determines the customer for whom the package is intended (col. 12, lines 25-30). At that point, various means may be used to communicate to the customer that the postal authority is in possession of the package so that the customer may schedule delivery or pickup of the parcel as desired (col. 12 through col. 13).

C. U.S. Patent No. 5,664,110 to *Green et al.* ("*Green*")

Green is directed to a remote ordering system that provides a user the ability to build and edit one or more order lists resident in the memory of a user device, and the further ability to review and manipulate a user interpretable display of the contents of such lists (col. 1, lines 38-42). Each customer uses a display/processor unit (DPU) for creating and transmitting order lists through a data format/transfer computer (DFTC) to multiple merchant databases (col. 1, lines 42-47). The customer is provided with a data entry device, such as an optical wand, capable of interpreting a bar code, so that the customer can pass the wand over the bar codes of multiple products and input the data into the DPU (col. 3, lines 11-15). Without establishing communications between the DPU and the DFTC, the data from the data entry device is checked against a database within the DPU (col. 4, lines 22-25). A CPU within the DPU then creates and displays the order list in a user-discernable format

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for review by the customer (col. 4, lines 33-34). The order list can be modified or otherwise manipulated on the DPU without a communications link being established between the DPU and the DFTC (col. 4, lines 37-39). Once an order list is completed, the DPU is instructed by the customer to establish communication with the DFTC (col. 4, lines 61-63). The DFTC controls the flow information between the customer and the merchant databases from which the various products in the order list are ordered (col. 5, lines 7-9).

D. U.S. Patent No. 5,897,622 to Blinn et al. ("Blinn")

Blinn is directed to an online merchant system including a dynamic page generator that permits the display of dynamically generated data in any format or presentation desired by the merchant through use of display templates and a database schema independent query mechanism (col. 3, lines 9-13). A merchant can change the display format by modifying a template instead of revising the system modules that produce the display formats (col. 3, lines 13-16). Further, a merchant is able to handle database modifications by modifying the queries stored in the database instead of modifying the system modules that perform the database queries (col. 3, lines 16-19). The merchant system of *Blinn* uses templates, directives, and actions to dynamically respond to customer requests (col. 7, lines 6-8). Templates, which include directives and actions, are located in HTML structures (col. 7, lines 8-9). In response to customer requests via the consumer web browser, the dynamic page generator composes HTML pages dynamically from templates stored in the HTML structures (col. 7, lines 9-11). A template defines the appearance of a page, such as the store home page, a product page, or a customer information page (col. 7, lines 42-44). Specifically, templates include HTML and directives, which are keywords to the dynamic page generator specifying how to build a page for display (col. 7, lines 45-47). The merchant system may include several predefined templates in the HTML structures (col. 7, lines 53-55), such as a basket.html page that allows shoppers to manipulate items in their shopping baskets (col. 8, lines 1-3). The merchant system uses actions to perform various system operations, such as adding an item to an order

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form, clearing an order form, and so forth (col. 9, lines 14-16). Actions are called for execution when a shopper clicks on a URL (col. 9, lines 29-30). An action manager interprets the URL to execute the action (col. 9, lines 35-54).

III. THE EXAMINER HAS FAILED TO MAKE A PRIMA FACIE CASE OF OBVIOUSNESS TO SUPPORT A REJECTION UNDER 35 U.S.C. §103(A) OVER U.S. PATENT NO. 6,449,599 TO *PAYNE ET AL* IN VIEW OF U.S. PATENT NO. 6,289,323 TO *GORDON ET AL.*, U.S. PATENT NO. 5,664,110 TO *GREEN ET AL.*, AND U.S. PATENT NO. 5,897,622 TO *BLINN ET AL.*

By way of an Office Action dated November 24, 2003, claims 46-190 were rejected under 35 U.S.C. §103(a) as being obvious over *Payne* in view of *Gordon*, in view of *Green*, and further in view of *Blinn*. This rejection is respectfully traversed.

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference or combination of references must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on Applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991); MPEP §2142.

It is respectfully submitted that the Examiner has failed to make a *prima facie* case to support a rejection of any claims under 35 U.S.C. §103(a) over *Payne* in view of *Gordon*, *Green*, and *Blinn*. First, there is no suggestion or motivation to modify the references or combine the reference teachings. Second, there is no reasonable expectation of success of combining the reference teachings. Finally, the combination of references does not teach or suggest all elements of any of Applicants' inventions as set forth in claims 46-190.

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In particular, and by way of non-limiting example, none of the references teach or suggest, *inter alia*, a payment enabling system in which a third party facilitates a transaction between two consumers, a buyer and a seller. Instead, each of the references relate to systems in which a merchant is a party to the transaction. Further, none of the references teach or suggest any aspect of a system or method in which a third party transaction facilitator uses a tracking number generated by a shipping system to monitor the delivery status of the shipped item. Likewise, none of the references teach or suggest any aspect of a system or method in which a third party transaction facilitator, upon agreement to the transaction by the buyer and seller, immediately receives a payment from the buyer, uses a tracking number generated by a shipping system to monitor the delivery status of the shipped item, verifies that the goods have been received and are acceptable to the buyer, and then transfers the payment to the seller of the goods. As such, the cited references are entirely inapposite and do not provide a basis for rejecting any of Applicants' claimed inventions, as will be discussed in greater detail below.

A. There is No Suggestion or Motivation to Modify the References or Combine the Reference Teachings.

Obviousness can only be established by combining or modifying the teachings of the prior art to product the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 U.S.P.Q.2d 1941 (Fed. Cir. 1992).

Applicants submit that the Examiner has failed to identify any suggestion or motivation to modify the references or combine the teachings of *Payne*, *Gordon*, *Green*, and *Blinn*. As such, the Examiner has failed to make a *prima facie* case of obviousness under 35 U.S.C. §103(a). Therefore, the rejection is improper and should be withdrawn.

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1. U.S. Patent No. 6,449,599 to *Payne*

By way of the Office Action dated November 24, 2003, Examiner Akers asserted that

Payne teaches a computer-implementable method for providing a consumer-to-consumer payment service(Abstract)(Fig 1)(Figs 2A-1)(Figs 3A/B)(Fig 4A/B) [sic].

(Office Action, page 2).

Applicants respectfully disagree with this characterization of *Payne*. Contrary to the Examiner's assertion, *Payne* does not teach a consumer-to-consumer payment service. Rather, *Payne* is directed to a network-based sales system that allows a merchant computer to respond to payment orders from a buyer computer without the merchant computer having to communicate directly with a payment computer to ensure that the user is authorized to purchase the product (col. 2, lines 7-11).

The teachings of *Payne* are inapposite to the various features of the present invention. The "payment computer" of *Payne* cannot reasonably be considered a "transaction facilitator". Nor can the "payment computer" be considered a system for effecting payment from a buyer to a seller but conditioned on delivery of goods.

No reasonable modification to *Payne* would arrive at any of Applicants' claimed inventions. By way of non-limiting example, no reasonable modification of *Payne* would arrive at any aspect of a payment enabling system or method in which a third party facilitates a transaction between two consumers, a buyer and a seller. Instead, *Payne* is directed to transactions between a merchant and a consumer. Further, no reasonable modification of *Payne* would arrive at any aspect of a system or method in which a third party transaction facilitator uses a tracking number generated by a shipping system to monitor the delivery status of the shipped item. *Payne* makes no mention of tracking the shipment of goods at all, and in particular, makes no mention of having a third party track the shipment of goods to facilitate the transaction between the buyer and seller. Finally, no reasonable modification of *Payne* would arrive at any aspect of a system or method in which a third party

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transaction facilitator, upon agreement to the transaction by the buyer and seller, immediately receives a payment from the buyer, uses a tracking number generated by a shipping system to monitor the delivery status of the shipped item, verifies that the goods have been received and are acceptable to the buyer, and then transfers the payment to the seller of the goods. Thus, the use of *Payne* as a primary reference does not provide a sufficient basis for rejection of any of Applicants' claimed inventions.

(b) Combination of *Payne* with U.S. Patent No. 6,289,323 to *Gordon*

Applicants submit that there is no suggestion or motivation in *Gordon* to combine the teachings of *Gordon* with the teachings of *Payne*. As stated above, *Gordon* is directed to a method and system for paying for goods and services in a manner similar to checks, credit cards, and debit cards (col. 1, lines 7-9). *Gordon* uses cryptographically transformed user information to authenticate payments from a payer to a payee where the form of payment is a value message bearing cryptographically transformed information including a digital signature to authenticate the value message (col. 1, lines 10-16). The value messages are authenticated, credited to the payee, and debited to the payer (col. 1, lines 16-18). *Gordon* also provides a means for enabling a purchase between a merchant and an anonymous customer (col. 11, lines 15-19).

By way of the Office Action, the Examiner asserted that

It would have been obvious to one skilled in the art at the time of invention to combine *Payne* in view of *Gordon* to teach part of the disclosure. The motivation to combine is to teach a method to consummate a financial transaction system with verified funds using secured value messages as enunciated by *Gordon*(col 2 lines 1-4) [sic].

(Office Action, page 4).

The Examiner's assertion is not understood. The Examiner failed to state which "part of the disclosure" is allegedly taught. Furthermore, the Applicants do not understand the Examiner's reasoning regarding the motivation to combine the references. The cited portion of *Gordon* merely states

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In particular, in accordance with the present invention, a system and method are described for conducting monetary transactions using secure value messages.

(col. 2, lines 1-4). Applicants do not understand how a general statement about conducting monetary transactions using secure value messages would motivate one of ordinary skill in the art to modify *Payne* to arrive at, for example, a system in which payment is effected by an intermediary upon confirmation that the buyer has received the goods and has deemed the goods acceptable.

Assuming the Examiner is positing that a "secure value message" is somehow used in association with the Applicants' invention, Applicants respectfully disagree. The system disclosed by *Gordon* first requires a buyer to open an account with the Postal Authority. Then, if and when the buyer decides to purchase something from a merchant, the buyer uses an electronic device (Payer PSD) provided by the Postal Authority to issue a value message to the merchant, who then uses another electronic device (Payee PSD) provided by the Postal Authority to endorse the message. The value message is then sent back to the Postal Authority, who authenticates the messages and effects payment to the merchant (col. 3, lines 12-24).

The various aspects of the payment enabling systems and methods as set forth in Applicants' claims do not include a "secure value message" coupled with a complex system of authenticating the transaction followed by debiting and crediting of accounts. Instead (and generally speaking by way of comparison and not limitation), upon agreement to engage in the transaction, the buyer pays the intermediary, who, for a fee, holds the payment and monitors the status of the delivery. Once the goods are received by the buyer and are deemed acceptable, the payment is transferred to the seller.

Payne and *Gordon* are inapposite to each other and to the various aspects of Applicants' claimed inventions. Further, no reasonable combination of *Payne* and *Gordon* would arrive at any aspect of Applicants' claimed inventions. Given that there is no suggestion or motivation to combine the teachings of *Payne* and *Gordon*, the

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Examiner has failed to make a *prima facie* case of obviousness under 35 U.S.C. §103(a) with respect to the combination of *Payne* and *Gordon*. Thus, the rejection is improper and should be withdrawn.

(c) Combination of *Payne* with U.S. Patent No. 5,664,110 to *Green*

By way of the Office Action, the Examiner asserted that

It would have been obvious to one skilled in the art at the [sic] time of the invention to combine *Payne* in view of *Gordon* and further in view of *Green* to teach part of the above. The motivation is to teach an ordering system for Internet purchases as enunciated by *Green* (col 1 lines 38-47) [sic].

(Office Action, page 5). Applicants do not comprehend the Examiner's assertion. Again, the Examiner has failed to expressly state what "part of the above" is allegedly taught. The cited portion of *Green* states:

A remote ordering system according to the present invention provides a user the ability to build and edit one or more order lists, resident in memory within a user device, and the further ability to review a user interpretable display of the contents of such lists. The present invention provides multiple merchant stock databases, a data format/transfer computer (DFTC) as an interface between customers and the merchant databases, and a user device referred to as a display/processor unit (DPU) at each of multiple customer sites for creating and transmitting order lists.

(col. 1, lines 38-47). Applicants do not understand what in the cited portion of *Green* would motivate one of ordinary skill in the art to modify *Payne*. The Examiner has failed to provide any rational basis for this combination of teachings.

Applicants are further perplexed by what the resulting combination of teachings of *Payne* and *Green* might be directed to. Applicants submit that there is no basis for the Examiner's assertion that the combination of *Payne* and *Green* would somehow result in anything even remotely akin to any of the various aspects of Applicants' claimed inventions.

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Applicants submit that *Payne* and *Green* are inapposite to each other and to the various aspects of the presently claimed inventions. *Green* is directed to a remote ordering system that provides a user the ability to build and edit one or more order lists resident in the memory of a user device, and the further ability to review and manipulate a user interpretable display of the contents of such lists (col. 1, lines 38-42). One would simply not look to a reference about a remote inventory ordering system to arrive at any of various aspects of the Applicants' claimed inventions as set forth in claims 46-190 and described generally above. By way of general example, *Green* does not provide the necessary motivation to modify the teachings of *Payne* to arrive at, to paraphrase certain aspects of certain of Applicants' claims, a method or system for facilitating financial transactions between a buyer and seller over a network in which an intermediary collects the payment from the buyer, holds the payment in escrow until some predetermined condition is fulfilled, tracks shipment of the package, and facilitates payment upon satisfactory delivery of the goods.

Given that there is no suggestion or motivation to combine the teachings of *Payne* with *Green*, the Examiner has failed to make a *prima facie* case of obviousness under 35 U.S.C. §103(a) with respect to the combination of *Payne* and *Green*. Thus, the rejection is improper and should be withdrawn.

(d) Combination of *Payne* with U.S. Patent No. 5,897,622 to *Blinn*

By way of the Office Action, the Examiner asserted that

It would also have been obvious to one skilled in the art at the time of the invention to combine *Payne* in view of *Gordon* in view of *Green* and further in view of *Blinn* to teach the above. The motivation to combine is to provide an on line ordering, tracking and delivery system for customer orders on the Internet for customers and merchants as enunciated by *Blinn*(col 3 lines 1-18) [sic].

(Office Action, page 5). The cited portion of *Blinn* states that

The present invention enables merchants to enter the online shopping market by providing a system and architecture to obtain and perform a large set of processing operations and computations on a rich set of dynamically generated information from a wide variety of data sources.

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In contrast to the rigid display formats and fixed database schemas of existing merchant systems, the present invention provides a dynamic page generator that permits the display of dynamically generated data in any format or presentation desired by the merchant. The present invention provides this flexibility through the use of display templates and a database schema independent query mechanism. In this manner, a merchant changes the display formats by modifying a template instead of revising the system modules producing the display formats. Similarly, a merchant handles database modifications by modifying the queries stored in the database instead of modifying the system modules performing the database queries.

(col. 3, lines 1-18).

Applicants do not follow the Examiner's reasoning. *Blinn* suggests nothing other than the benefits of using a dynamic page generator in conjunction with the online shopping market. *Blinn* does not provide any motivation to modify the teachings of *Payne* for any reason, and in particular, *Blinn* does not provide any motivation to modify the teachings of *Blinn* to somehow arrive at any of the Applicants' inventions as set forth in claims 46-190.

Given that there is no suggestion or motivation to combine the teachings of *Payne* and *Blinn*, the Examiner has failed to make a *prima facie* case of obviousness under 35 U.S.C. §103(a) with respect to the combination of *Payne* and *Blinn*. Thus, the rejection is improper and should be withdrawn.

(e) Conclusion

Applicants submit that there is no suggestion in *Payne*, *Gordon*, *Green*, or *Blinn*, or in the knowledge generally available to those skilled in the art, to combine the reference teachings. As such, Applicant respectfully submits that the rejection under §103(a) with respect to the combination of *Payne*, *Gordon*, *Green*, and *Blinn* is improper and should be withdrawn.

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B. There is No Reasonable Expectation of Success of Combining the References.

Applicants submit that the Examiner has failed to identify a reasonable expectation of success in combining the teachings of *Payne, Gordon, Green, and Blinn*. As such, the Examiner has not established a *prima facie* case of obviousness under 35 U.S.C. §103(a). Therefore, the rejection is improper and should be withdrawn.

Applicants respectfully submit that there is no reasonable expectation of success in combining the reference teachings. The prior art can be modified or combined to reject claims as *prima facie* obvious as long as there is a reasonable expectation of success. *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 U.S.P.Q. 375 (Fed. Cir. 1986). Obviousness does not require absolute predictability; however, at least some degree of predictability is required. Evidence showing there was no reasonable expectation of success may support a conclusion of nonobviousness. *In Re Rinehart*, 531 F.2d 1048, 189 U.S.P.Q. 143 (CCPA 1976). In this instance, Applicants submit that there is no reasonable expectation of success in combining the teachings of *Payen, Gordon, Green, and Blinn* to support a rejection under 35 U.S.C. §103(a).

As discussed in detail above, there is no motivation to combine the cited references. As such, there is no expectation that combining the references would result in a successful combination. Furthermore, there is no expectation that combining the references would result in any of the various aspects of Applicants' claimed inventions as set forth in claims 46-190, as will be discussed in greater detail below.

C. The Combination of References Does Not Teach or Suggest All Elements of Applicants' Claimed Inventions.

To establish a *prima facie* case of obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All the words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). Furthermore, if an independent claim

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is nonobvious under 35 U.S.C. §103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988).

As stated above, Applicants' inventions as set forth in claims 46-190 are generally directed to various aspects of methods and systems for facilitating financial transactions between a buyer and seller over a network, such as the Internet. For a fee, an intermediary collects the payment from the buyer and pays the seller. However, before doing so, and according to certain aspects of certain of Applicants' claims, the intermediary may hold the payment in escrow until some predetermined condition is fulfilled. For instance, the intermediary may hold the payment until it is determined (1) that the seller has shipped the goods, (2) the buyer has received the goods, and (3) the goods are acceptable to the buyer.

In general, none of the references, alone or in combination, teach or suggest the claimed aspects of a method and system for completing a transaction between a buyer and a seller utilizing a payment enabling system involving various steps of receiving transaction information from a transaction computer, requesting authorization of a payment from a payment instrument processor, instructing the seller to ship the goods in response to an authorization, querying a shipping service's tracking database to determine when the goods have been delivered, and upon determination of acceptable delivery, communicating an instruction to the payment instrument processor to make the payment to the seller with a selected payment instrument.

(a) U.S. Patent No. 6,449,599 to *Payne et al.*

Payne does not teach all of the elements of any of Applicants' inventions as set forth in claims 46-190. As stated above, *Payne* is directed to a network-based sales system that allows a merchant computer to respond to payment orders from a buyer computer without the merchant computer having to communicate directly with a payment computer to ensure that the user is authorized to purchase the product (col. 2, lines 7-11). *Payne* does not teach or suggest a system in which a transaction between a buyer and a seller is facilitated using a transaction facilitator. *Payne* further

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does not teach or suggest the claimed aspects of a system in which a transaction facilitator (1) monitors the status of the shipment by query the shipping service's tracking database to determine when the goods have been delivered, (2) verifies that the delivery is acceptable, and (3) communicates an instruction to the payment instrument processor to make the payment to the seller with a selected payment instrument.

(b) Combination with U.S. Patent No. 6,289,323 to *Gordon et al.*

The disclosure of *Gordon* is not sufficient to cure the deficiency of *Payne*. As stated above, *Gordon* is directed to a method and system for paying for goods and services in a manner similar to checks, credit cards, and debit cards (col. 1, lines 7-9). *Gordon* uses cryptographically transformed user information to authenticate payments from a payer to a payee where the form of payment is a value message bearing cryptographically transformed information including a digital signature to authenticate the value message (col. 1, lines 10-16). The value messages are authenticated, credited to the payee, and debited to the payer (col. 1, lines 16-18). *Gordon* also provides a means for enabling a purchase between a merchant and an anonymous customer (col. 11, lines 15-19).

Gordon does not teach or suggest a system in which a transaction between a buyer and a seller is facilitated using a transaction facilitator. *Gordon* further does not teach or suggest the claimed aspects of a system in which a transaction facilitator (1) monitors the status of the shipment by query the shipping service's tracking database to determine when the goods have been delivered, (2) verifies that the delivery is acceptable, and (3) communicates an instruction to the payment instrument processor to make the payment to the seller with a selected payment instrument.

(c) Combination with U.S. Patent No. 5,664,110 to *Green et al.*

The disclosure of *Green* is not sufficient to cure the deficiency of *Payne* and *Gordon*. As stated above, *Green* is directed to a remote ordering system that provides a user the ability to build and edit one or more order lists resident in the memory of a

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user device, and the further ability to review and manipulate a user interpretable display of the contents of such lists (col. 1, lines 38-42).

Green does not teach or suggest a system in which a transaction between a buyer and a seller is facilitated using a transaction facilitator. *Green* further does not teach or suggest the claimed aspects of a system in which a transaction facilitator (1) monitors the status of the shipment by query the shipping service's tracking database to determine when the goods have been delivered, (2) verifies that the delivery is acceptable, and (3) communicates an instruction to the payment instrument processor to make the payment to the seller with a selected payment instrument.

(d) Combination with U.S. Patent No. 5,897,622 to *Blinn et al.*

The disclosure of *Blinn* is not sufficient to cure the deficiency of *Payne, Gordon, and Green*. As stated above, *Blinn* is directed to an online merchant system including a dynamic page generator that permits the display of dynamically generated data in any format or presentation desired by the merchant through use of display templates and a database schema independent query mechanism (col. 3, lines 9-13).

Blinn does not teach or suggest a system in which a transaction between a buyer and a seller is facilitated using a transaction facilitator. *Blinn* further does not teach or suggest the claimed aspects of a system in which a transaction facilitator (1) monitors the status of the shipment by query the shipping service's tracking database to determine when the goods have been delivered, (2) verifies that the delivery is acceptable, and (3) communicates an instruction to the payment instrument processor to make the payment to the seller with a selected payment instrument.

(e) Conclusion

Given that the combination of *Payne, Gordon, Green, and Blinn* fails to teach and enable every element of Applicant's claimed invention, the Examiner has failed to make a *prima facie* case of obviousness under 35 U.S.C. §103(a) with respect to the combination of *Payne, Gordon, Green, and Blinn*. Therefore, the rejection is improper and should be withdrawn.

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D. Conclusion

It is respectfully submitted that the Examiner has failed to make a *prima facie* case of obviousness. First, there is no motivation to combine the references. Second, there is no reasonable expectation of success in combining the references. Finally, the combination of *Payne*, *Gordon*, *Green*, and *Blinn* fails to teach and enable every element of each of Applicants' claimed inventions as set forth in claims 46-190. Therefore, the rejection under 35 U.S.C. §103(a) with respect to the combination of *Payne*, *Gordon*, *Green*, and *Blinn* is improper and should be withdrawn.

IV. EVEN IF THE EXAMINER HAS MADE A PRIMA FACIE CASE OF OBVIOUSNESS UNDER 35 U.S.C. §103(A), APPLICANTS' CLAIMED INVENTIONS ARE NOT OBVIOUS OVER *PAYNE* IN VIEW OF *GORDON*, *GREEN*, AND *BLINN*.

By way of the Office Action dated November 24, 2003, claims 46-190 were rejected under 35 U.S.C. §103(a) as being obvious over *Payne* in view of *Gordon*, in view of *Green*, and further in view of *Blinn*. This rejection is respectfully traversed.

It is respectfully submitted that Applicants' claimed inventions are not obvious over *Payne* in view of *Gordon*, *Green*, and *Blinn*. In *Graham v. John Deere*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), the Supreme Court set forth four factual inquiries to be made when making an obviousness determination. First, the scope and content of the prior art is determined. Next, the differences between the prior art and the claims at issue are ascertained. Then, the level of ordinary skill in the art is resolved. Secondary considerations of nonobviousness are also evaluated. Finally, a determination of obviousness is made. MPEP §2101.

A. Scope and Content of the Prior Art

1. U.S. Patent No. 6,449,599 to *Payne et al.* ("*Payne*")

Payne is directed to a network-based sales system that includes at least one buyer computer for operation by a user desiring to buy a product (such as an electronic version of a newspaper article) at least one merchant computer, and at least one payment computer (col. 1, lines 53-56; col. 4, lines 54-65). The buyer computer,

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the merchant computer, and the payment computer are interconnected by a computer network (col. 1, lines 56-58). The buyer computer is programmed to receive a user request for purchasing a product, and to cause a payment message to be sent to the payment computer that includes a product identifier identifying the product (col. 1, lines 58-62). The payment computer is programmed to (1) receive the payment message, (2) cause an access message to be created that includes both the product identifier and an access message authenticator based on a cryptographic key, and (3) cause the access message to be sent to the merchant computer (col. 1, lines 62-67). The merchant computer is programmed to (1) receive the access message, (2) verify the access message authenticator to ensure that the access message authenticator was created using the cryptographic key, and (3) cause the electronic product to be sent to the user desiring to buy the product (col. 1, line 67 through col. 2, lines 1-5).

In particular, the system of *Payne* allows the merchant computer to respond to payment orders from the buyer computer without the merchant computer having to communicate directly with the payment computer to ensure that the user is authorized to purchase the product (col. 2, lines 7-11). Furthermore, the merchant computer does not have to store information in a database regarding which buyers are authorized to purchase which products (col. 2, lines 11-14). Rather, when the merchant computer receives an access message from the buyer computer identifying a product to be purchased, the merchant computer need only check the access message to ensure that it was created by the payment computer to verify that the buyer is authorized to purchase the product before causing the product to be sent to the buyer computer (col. 2, lines 14-22).

2. U.S. Patent No. 6,289,323 to *Gordon et al.* ("*Gordon*")

Gordon is directed to a method and system for paying for goods and services in a manner similar to checks, credit cards, and debit cards (col. 1, lines 7-9). *Gordon* uses cryptographically transformed user information to authenticate payments from a payer to a payee where the form of payment is a value message bearing

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cryptographically transformed information including a digital signature to authenticate the value message (col. 1, lines 10-16). The value messages are authenticated, credited to the payee, and debited to the payer (col. 1, lines 16-18). *Gordon* purports to remedy the shortcomings of traditional payment systems regarding authentication, privacy, and convenience (col. 1, lines 66-67 to col. 2, line 1). Specifically, the method of *Gordon* provides a payer with a Payer Postal Security Device (Payer PSD) upon establishing an account with a postal authority (col. 3, lines 12-16). The Payer PSD is a secure register for evidencing and tracking value (col. 3, lines 26-27). The payer may deposit funds with the postal authority prior to using the Payer PSD (col. 3, lines 27-29). A communication is then established between the postal authority and the Payer PSD, whereby the postal authority issues a value download message and the internal register of the Payer PSD is increased by the amount deposited by the payer (col. 3, lines 29-37). In exchange for providing goods or services, the Payer PSD issues a value message to a merchant (col. 4, lines 44-45). After receiving the value message, the merchant endorses the value message using a Payee PSD (col. 4, lines 46-47). To endorse the value message, the merchant payee adds additional data and renders a digital signature based on fields contained in the value message (col. 4, lines 49-52). The merchant then presents the endorsed value message to the postal authority (col. 4, lines 64-65) for authentication. After authenticating the value message, the Payee PSD is credited with the amount paid by the Payer (col. 5, lines 19-21). The value message may be processed by issuing a paper check or using an electronic funds transfer to the Payee bank (col. 5, lines 42-45).

Gordon also provides a means for enabling a purchase between a merchant and an anonymous customer (col. 11, lines 15-19). First, the customer uses a PSD to generate a value message and transmits the message to the merchant (col. 11, lines 20-24). The value message identifies the product that the customer wishes to purchase (col. 11, lines 24-26). The value message further includes an identification of the PSD but does not include any information about the customer (col. 11, lines 26-30).

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The merchant then endorses the value message from the customer using a merchant PSD (col. 11, lines 35-37). The postal authority then authenticates the transaction (col. 11, lines 45-47). The parcel is then shipped from the merchant to the postal authority who takes possession of the parcel (col. 12, lines 23-25). Using barcode technology containing information about the intended recipient of the package, the postal authority determines the customer for whom the package is intended (col. 12, lines 25-30). At that point, various means may be used to communicate to the customer that the postal authority is in possession of the package so that the customer may schedule delivery or pickup of the parcel as desired (col. 12 through col. 13).

3. U.S. Patent No. 5,664,110 to *Green et al.* ("*Green*")

Green is directed to a remote ordering system that provides a user the ability to build and edit one or more order lists resident in the memory of a user device, and the further ability to review and manipulate a user interpretable display of the contents of such lists (col. 1, lines 38-42). Each customer uses a display/processor unit (DPU) for creating and transmitting order lists through a data format/transfer computer (DFTC) to multiple merchant databases (col. 1, lines 42-47). The customer is provided with a data entry device, such as an optical wand, capable of interpreting a bar code, so that the customer can pass the wand over the bar codes of multiple products and input the data into the DPU (col. 3, lines 11-15). Without establishing communications between the DPU and the DFTC, the data from the data entry device is checked against a database within the DPU (col. 4, lines 22-25). A CPU within the DPU then creates and displays the order list in a user-discernable format for review by the customer (col. 4, lines 33-34). The order list can be modified or otherwise manipulated on the DPU without a communications link being established between the DPU and the DFTC (col. 4, lines 37-39). Once an order list is completed, the DPU is instructed by the customer to establish communication with the DFTC (col. 4, lines 61-63). The DFTC controls the flow information between

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the customer and the merchant databases from which the various products in the order list are ordered (col. 5, lines 7-9).

4. U.S. Patent No. 5,897,622 to *Blinn et al.* ("*Blinn*")

Blinn is directed to an online merchant system including a dynamic page generator that permits the display of dynamically generated data in any format or presentation desired by the merchant through use of display templates and a database schema independent query mechanism (col. 3, lines 9-13). A merchant can change the display format by modifying a template instead of revising the system modules that produce the display formats (col. 3, lines 13-16). Further, a merchant is able to handle database modifications by modifying the queries stored in the database instead of modifying the system modules that perform the database queries (col. 3, lines 16-19). The merchant system of *Blinn* uses templates, directives, and actions to dynamically respond to customer requests (col. 7, lines 6-8). Templates, which include directives and actions, are located in HTML structures (col. 7, lines 8-9). In response to customer requests via the consumer web browser, the dynamic page generator composes HTML pages dynamically from templates stored in the HTML structures (col. 7, lines 9-11). A template defines the appearance of a page, such as the store home page, a product page, or a customer information page (col. 7, lines 42-44). Specifically, templates include HTML and directives, which are keywords to the dynamic page generator specifying how to build a page for display (col. 7, lines 45-47). The merchant system may include several predefined templates in the HTML structures (col. 7, lines 53-55), such as a basket.html page that allows shoppers to manipulate items in their shopping baskets (col. 8, lines 1-3). The merchant system uses actions to perform various system operations, such as adding an item to an order form, clearing an order form, and so forth (col. 9, lines 14-16). Actions are called for execution when a shopper clicks on a URL (col. 9, lines 29-30). An action manager interprets the URL to execute the action (col. 9, lines 35-54).

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B. Non-Analogous Art

1. U.S. Patent No. 5,664,110 to *Green* et al.

Applicants submit that *Green* is non-analogous art. As stated above, *Green* is directed to a remote ordering system that provides a user the ability to build and edit one or more order lists resident in the memory of a user device, and the further ability to review and manipulate a user interpretable display of the contents of such lists (col. 1, lines 38-42). Applicants were unable to find a single reference in *Green* to a system for enabling payment between a buyer and seller. In fact, *Green* does not even address how payment from the buyer to the seller would occur. Furthermore, Applicants were unable to find a reference in *Green* to having a payment facilitator track the shipment of the goods from the seller to the buyer. Thus, one of ordinary skill in the art would not look to a reference about a remote ordering system used to generate and edit lists to design an online payment enabling system in which payment is conditioned upon acceptable delivery of goods. Accordingly, Applicants submit that it is improper to use *Green* to form a rejection under 35 U.S.C. §103(a).

2. U.S. Patent 5,897,622 to *Blinn* et al.

Applicants further submit that *Blinn* is non-analogous art. As stated above, *Blinn* is directed to an online merchant system including a dynamic page generator that permits the display of dynamically generated data in any format or presentation desired by the merchant through use of display templates and a database schema independent query mechanism (col. 3, lines 9-13). Applicants were unable to find a single reference in *Blinn* to use of a payment facilitator to enable payment of the seller by the buyer. Furthermore, Applicants were unable to find a reference in *Blinn* to having a payment facilitator track the shipment of the goods from the seller to the buyer. Thus, one of ordinary skill in the art would not look to a reference about an online merchant system including a dynamic page generator that permits the display of dynamically generated data in any format or presentation to design an online payment enabling system in which payment is conditioned upon acceptable delivery

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of goods. Accordingly, Applicants submit that it is improper to use *Blinn* to form a rejection under 35 U.S.C. §103(a).

B. Differences Between the Prior Art and the Claimed Invention

Applicants respectfully submit that the cited references are entirely inapposite and do not provide a basis for rejecting any of Applicants' claimed inventions.

None of the references, alone or in combination, teach or suggest various aspects of Applicants' invention as set forth in claims 46-190. By way of general example, none of the references, alone or in combination, teach or suggest a method and system for completing a transaction between a buyer and a seller utilizing a payment enabling system involving various steps of receiving transaction information from a transaction computer, requesting authorization of a payment from a payment instrument processor, instructing the seller to ship the goods in response to an authorization, querying a shipping service's tracking database to determine when the goods have been delivered, and upon determination of acceptable delivery, communicating an instruction to the payment instrument processor to make the payment to the seller with a selected payment instrument.

In particular, and by way of non-limiting example, none of the references teach or suggest, *inter alia*, a payment enabling system in which a third party facilitates a transaction between two consumers, a buyer and a seller. Instead, *Payne*, *Gordon*, and *Green* relate to systems in which a merchant is a party to a transaction with a consumer. *Blinn* only incidentally discusses transactions at all, and is actually directed to software for enhancing a merchant's online shopping pages (col. 3, lines 8-10).

Further, and by way of non-limiting example, none of the references teach or suggest any aspect of a system or method in which a third party transaction facilitator uses a tracking number generated by a shipping system to monitor the delivery status of the shipped item. *Payne*, *Green*, and *Blinn* make no mention, *inter alia*, of using a shipping tracking number for any purpose, and in particular, *Payne*, *Green*, and *Blinn* make no mention of using a shipping tracking number as a means of having a third party to the transaction monitor the status of a delivery upon which payment is

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conditioned. *Gordon*, which uses a system managed by a Postal Authority, would presumably have access to some sort of tracking mechanism, but does not teach or suggest using a shipping tracking number as a means of having a third party to the transaction monitor the status of a delivery upon which payment is conditioned.

Likewise, and by way of non-limiting example, none of the references teach or suggest any aspect of a system or method in which a third party transaction facilitator, upon agreement to the transaction by the buyer and seller, immediately receives a payment from the buyer, uses a tracking number generated by a shipping system to monitor the delivery status of the shipped item, verifies that the goods have been received and are acceptable to the buyer, and then transfers the payment to the seller of the goods. Neither *Payne*, *Gordon*, *Green*, or *Blinn* teach or suggest, *inter alia*, having a third party (1) receive a payment for goods from a buyer, (2) track the shipment of goods from the seller, (3) verify that the goods have been delivered and are acceptable to the buyer, and (4) transfer the payment to the seller.

In particular, with respect to claim 46, none of the references, alone, or in combination, teaches a method for completing a transaction between a buyer and a seller utilizing a payment enabling system operated by a payment enabler including the computer-implemented steps of: associating the transaction information with a tracking number associated with the shipment of the goods from the seller to the buyer via the shipping service, querying the shipping service tracking database based on the tracking number to determine whether the goods have been delivered to the buyer, based at least in part on information from the shipping service database indicating that the goods have been delivered to the buyer, determining if the goods have been acceptably delivered to the buyer as of an indicated delivery date, and in response to a determination that the goods have been acceptably delivered to the buyer as of the indicated delivery date, effecting completion of the transaction by communicating an instruction to the payment instrument processor to make payment to the seller.

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With respect to claim 69, none of the references, alone, or in combination, teaches a system for effecting payment from a buyer to a seller in connection with an online transaction but conditioned on delivery of goods including a payment enabling system operative in response to the association of a transaction with a tracking number corresponding to the shipment of the goods from the seller to the buyer via the shipping service, for communicating a query to the shipping service tracking database based on the tracking number to determine whether the goods have been delivered to the buyer, the payment enabling system further operative in response to the delivery information resulting from the query to the shipping service database for determining if the goods have been acceptably delivered to the buyer, and the payment enabling system further operative in response to a determination that the goods have been acceptably delivered to the buyer, for effecting completion of the transaction by communicating an instruction to the payment instrument processor to make payment to the seller.

With respect to claim 93, none of the references, alone or in combination, teach a method for completing a transaction between a buyer and a seller including the computer-implemented steps of: querying the shipping service tracking database based on the tracking number to determine whether the goods have been delivered to the buyer, based at least in part on information from the shipping service database indicating that the goods have been delivered to the buyer, determining if the goods have been acceptably delivered to the buyer as of an indicated delivery date, and in response to a determination that the goods have been acceptably delivered to the buyer as of the indicated delivery date, effecting completion of the transaction by communicating an instruction to the payment instrument processor to make payment to the seller.

With respect to claim 118, none of the references, alone, or in combination, teaches a system for effecting payment for goods purchased by a buyer using a buyer computer from a seller using a seller computer in an online transaction facilitated by a transaction facilitator, the payment conditioned on acceptable delivery of the goods

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by the seller to the buyer, the transaction facilitator operating a network-accessible transaction computer that facilitates commercial transactions between buyers and sellers, including a payment enabling system operative for querying the shipping service tracking database based on the tracking number to determine whether the goods have been delivered to the buyer, the payment enabling system further operative, based at least in part on information from the shipping service database indicating that the goods have been delivered to the buyer, for determining if the goods have been acceptably delivered to the buyer as of an indicated delivery date, and the payment enabling system further operative, in response to a determination that the goods have been acceptably delivered to the buyer as of the indicated delivery date, for effecting completion of the transaction by communicating an instruction to the payment instrument processor to make payment to the seller.

With respect to claim 143, none of the references, alone, or in combination, teaches a method for completing a online transaction between a buyer to a seller, comprising the computer-implemented steps of: communicating a query from the payment enabling system to the shipping service tracking database based on the tracking number to determine whether the goods have been delivered to the buyer; providing delivery information from the shipping service tracking database to the payment enabling system, the delivery information indicating that the goods were delivered to the buyer as of an indicated delivery date, based at least in part on the delivery information from the shipping service database, determining if the goods have been acceptably delivered to the buyer, and in response to a determination that the goods have been acceptably delivered to the buyer as of the indicated delivery date, effecting completion of the transaction by communicating an instruction to make payment to the seller from the payment enabling system to the payment instrument processor.

With respect to claim 167, none of the references, alone or in combination, teaches a system for effecting payment from a buyer to a seller in connection with an online transaction but conditioned on delivery of goods, the buyer utilizing a buyer

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computer system and the seller utilizing a seller computer system to communicate with a transaction facilitator that facilitates commercial transactions between buyers and sellers, including a payment enabling system operative for communicating a query to the shipping service tracking database based on the tracking number to determine whether the goods have been delivered to the buyer, the payment enabling system further operative in response to the delivery information resulting from the query to the shipping service database for determining if the goods have been acceptably delivered to the buyer; and the payment enabling system further operative in response to a determination that the goods have been acceptably delivered to the buyer, for effecting completion of the transaction by communicating an instruction to the payment instrument processor to make payment to the seller.

C. Level of Ordinary Skill in the Art

Applicants respectfully submit that the level of ordinary skill in the art is one who is skilled in the field of computer systems for online commerce.

D. Oviousness Analysis

Applicants respectfully submit that the claimed inventions as summarized above would not be obvious to one skilled in the area of computer systems for online commerce over *Payne* in view of *Gordon*, *Green*, and *Blinn*.

By way of general example, none of the references teach or suggest, *inter alia*, a system or method or aspects of same for completing a transaction between a buyer and a seller utilizing a payment enabling system involving various steps of receiving transaction information from a transaction computer, requesting authorization of a payment from a payment instrument processor, instructing the seller to ship the goods in response to an authorization, querying a shipping service's tracking database to determine when the goods have been delivered, and upon determination of acceptable delivery, communicating an instruction to the payment instrument processor to make the payment to the seller with a selected payment instrument. Since these (and other) aspects of the Applicants' inventions are not taught or suggested by any of the references, it is not likely that one of skill in the art, namely, a

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computer system designer in the field of computer systems for online commerce, would find it obvious to create a system according to Applicants' claimed inventions.

The omitted elements are not mere variations of the prior art, nor are they so well known that no reference is needed to supply the missing element. In particular, and by way of non-limiting example, since *Payne*, *Gordon*, *Green*, and *Blinn* each relate to systems in which a merchant and a consumer is involved, it would not be obvious to one skilled in the art to modify the reference teachings or combine the references to arrive at a system in which a third party facilitates a transaction between two consumers.

Further, and by way of non-limiting example, none of the references, alone or in combination, teach or suggest any aspect of a system or method in which a third party transaction facilitator uses a tracking number generated by a shipping system to monitor the delivery status of the shipped item. Likewise, and by way of non-limiting example, none of the references, alone or in combination, teach or suggest any aspect of a system or method in which a third party transaction facilitator, upon agreement to the transaction by the buyer and seller, immediately receives a payment from the buyer, uses a tracking number generated by a shipping system to monitor the delivery status of the shipped item, verifies that the goods have been received and are acceptable to the buyer, and then transfers the payment to the seller of the goods.

It would not be obvious to one skilled in the art to modify the system of *Payne* to arrive at any aspect of Applicants' claimed invention generally summarized above because *Payne* purports to address an entirely different need:

The invention provides a simple design architecture for the network sales system that *allows the merchant computer to respond to payment orders from the buyer computer without the merchant computer having to communicate directly with the payment computer* to ensure that the user is authorized to purchase the product and without the merchant computer having to store information in a database regarding which buyers are authorized to purchase which products. [emphasis added]

(col. 2, lines 6-14).

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Payne is simply not apposite to any aspect of Applicants' claimed inventions. Applicants simply do not comprehend the Examiner's assertion that it would be obvious to modify *Payne* to somehow arrive at any aspect of Applicants' claimed inventions.

Likewise, it would not be obvious to one skilled in the art to use the teachings of *Gordon* to modify *Payne* to arrive at any aspect of Applicants' claimed inventions. As stated previously, *Gordon* includes a complex purchase and payment system using "secure value messages" (col. 3, lines 12-24). The Examiner has not provided a rational basis for concluding that any aspect of Applicants' claimed inventions could somehow be derived from the teachings of *Gordon*.

Similarly, it would not be obvious to one skilled in the art to use the teachings of *Green* to modify the teachings of *Payne* to arrive at any aspect of Applicants' claimed invention. *Green* is directed to a remote ordering system that enables the user to review and manipulate lists of items (col. 1, lines 38-42). *Green* does not cure any of the deficiencies of the teachings of *Payne* and *Gordon*, and does not provide a rational basis for arriving at any aspect of Applicants' inventions as set forth in the claims and summarized above.

Finally, it would certainly not be obvious to one skilled in the art to use the teachings of *Blinn* to modify the teachings of *Payne* to arrive at any aspect of Applicants' claimed inventions. The teachings of *Blinn* are so remote from any aspect of Applicants' claimed inventions that it would be illogical and irrational to attempt to use the teachings of *Blinn* to somehow arrive at any of Applicants' inventions set forth in claims 46-190. Furthermore, contrary to the Examiner's assertions, *Blinn* does not cure any of the deficiencies of the combination of *Payne*, *Gordon*, and *Green*. Thus, it would not be obvious to use *Blinn* to modify *Payne* in any manner to arrive at any of Applicants' claimed inventions.

Applicants have diligently reviewed the cited references and have considered the argument set forth by the Examiner in the Office Action dated November 24, 2004. Applicants are unable to find in either the references or in the Office Action

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any rational basis for concluding that the references could be somehow combined to render any of Applicants' claimed inventions obvious to one of ordinary skill in the art. The references are entirely inapposite to the presently claimed inventions and the combination of references does not even remotely arrive at the Applicants' claimed inventions. Therefore, Applicants respectfully submit that the various aspects of Applicants' claimed inventions as set forth in claims 46-190 would not be obvious to one of ordinary skill in the art over *Payne* in view of *Gordon, Green, and Blinn*.

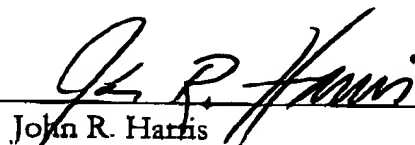
IV. Conclusion

Applicants respectfully submit that the Examiner has failed to make a *prima facie* case of obviousness over *Payne* in view of *Gordon, Green, and Blinn* to support a rejection under 35 U.S.C. §103. Furthermore, using the *John Deere* factual inquiries, Applicants submit that the differences between the prior art and the claimed inventions would not be obvious to one of ordinary skill in the art. Accordingly, Applicants respectfully request withdrawal of this rejection.

For at least the reasons stated above, it is respectfully submitted that all of the present claims are in condition for allowance.

Respectfully submitted on behalf of Applicants,
MORRIS, MANNING & MARTIN, LLP

By:



John R. Harris

Registration No.: 30,388

MORRIS, MANNING & MARTIN, LLP

1600 Atlanta Financial Center

3343 Peachtree Road, N.E.

Atlanta, Georgia 30306

Attorney for Applicants

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